

Risk Assessment for Your Federal Grant Programs

Session 5
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Presenter

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- Where are the Requirements?
- Where's the "Cook Book?"

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Assessing Risk

- Elements of Risk Assessment
 - Awarding Agency Assessment
 - Risk Alerts
 - Recipient/Subrecipient Self-Assessment
- Inherent Risk
- Control Risk
- Detection Risk

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Inherent Risks

- Nature of the Activity
 - Assistance *not* Procurement
 - Complexity of Programmatic and Administrative Requirements
 - Multiple Process Steps
 - Difficulty of Measuring Program Performance and Effectiveness
 - Eligibility Criteria for Beneficiaries
 - Routine vs. Extraordinary Involvement

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Inherent Risks

- Material Cost Items
 - Salaries, Wages, Fringe Benefits
 - Space Occupancy
 - "Procurement Element"
- Third Party Contracts
- Timing of Events
 - Newness or Changed Conditions
 - Beginning of Award
 - End of Award

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Compliance Risks

- Staff Experience and Training
- Level of Policy Knowledge
- Past Problems and Findings
- Acceptance of Incorrect Agreement Provisions
- Noncompliance with Agreement Provisions
- Noncompliance with Organizational Policies

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Grants Management Noncompliance Risks

- Cash Management
 - Timing, Amount, Interest
- Property Records
 - Required Data Elements
- Property Inventory
 - Timing, Reconciliation
- Prior Approvals
 - Evidence, Timing, Authority
- Justification for Sole or Single Source Contracts
- Basis of Contract Award Cost or Price

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Grants Management Noncompliance Risks

- Cost Transfers
 - Timing, Justification
- Valuation of Third-Party In-kind Contributions
- Reporting
 - Timing, Non-routine
- Source Documentation
 - Timing, Completeness, Credibility

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Programmatic Risks

- Vulnerable Beneficiaries
 - Health
 - Safety
 - Demonstrable Impact
- Programmatic Data and Systems
 - Diverse
 - Uncoordinated
 - Non-existent
- Absence of Agreement about Success Measurement

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Control Risks

- Elements of Internal Control
 - Control Environment
 - Risk Assessment
 - Control Activities
 - Information and Communication
 - Monitoring
- "Well Designed"
- "Placed in Operation"

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Control Risks

- Cash
- Property
- Other Assets
- Safeguarding
- Use for Authorized Purposes

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Control Risks

- Considerations for Smaller Organizations
 - Competency and Attitude of Personnel
 - Segregation of Duties
 - Review by Others
 - Execution of Transactions
 - Documentation of Transactions
 - Reporting
 - Access Restrictions

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Detection Risk

- Level of Self Monitoring
- Level of External Monitoring
- Role of Audits
- Extent of Appropriate Testing

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